

COMMODITIES UPDATE



July 27, 2023

Burning Economic Issues

- Nigeria's T/Bill stop rates spiked by over 6% p.a. on July 26, putting a drag on the NGX
- The Federal Reserve raised the benchmark rate by 25bps to a 22-year high as inflation retreated from a 40-year high
 - ECB hikes rates by 25bps to 4.25% in July
- Brent up 1.76% (\$84.38pb) on supply tightness and growing optimism about China's demand- **Reuters**
- Nigeria cocoa prices rose in Edo and Akwa Ibom States to \$2,663/mt and \$2,463/mt respectively- **WSJ**
 - Cocoa futures gained 0.58% (\$3,480.00/mt) as supply concerns underpinned the market- **Reuters**
- Naira appreciated by 5.63% to trade at N800.00/\$ (I & E window) but depreciated by 0.46% to close at N872/\$ at the parallel market
 - Naira set to gain further in the forex market this week

The Downers



Impact

The Goodies



- The rise in Nigeria's T/bill rate will aid in strengthening the naira in the forex market as inflationary pressures ease
- A 1.76% rise in oil prices will bolster the nation's oil export earnings and support the accretion of the external reserves
- Higher cocoa price will encourage domestic cocoa production and increase farmers' income





Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N26,500	N19,000	↓	N16,000	N28,000
Rice (50kg) short grain	N41,000	N51,000	↑	N33,000	N51,000
Flour (50kg)	N31,500	N35,000	↑	N28,500	N31,500
Beans (Oloyin)(50kg)	N34,000	N36,000	↑	N30,000	N56,000
Cement (50kg)	N4,700	N4,700	↔	N4,200	N4,700
Tomatoes (50kg)	N90,000	N65,000	↓	N15,000	N110,000
Pepper (bag)	N65,000	N40,000	↓	N15,000	N65,000
Onions (bag)	N40,000	N55,000	↑	N25,000	N55,000

- Prices of commodities begin to taper as the harvest season begins

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Palm Oil (25l)		N37,500	N22,500	↓	N22,000	N37,500
Semovita (10kg)		N6,800	N7,200	↑	N6,700	N7,200
New Yam (3 tubers)		N6,000	N10,500	↑	N3,000	N10,500
Sugar (50kg)		N42,000	N42,000	↔	N31,000	N42,000

Consumer Goods – Current price



Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N250	N250	0%
Heineken beer (60cl)	N630	N650	-3.17%
Bread Loaf	N1000	N1000	0%
Indomie (1 carton)	N4,300	N4,300	0%
Gala (big size)	N150	N150	0%



Dangote Sugar has a **NEW LOOK**



Same Great Quality!


















www.dangotesugar.com.ng facebook.com/dangotesugarmfny
[@dangote_sugar](https://twitter.com/dangote_sugar) [dangotesugar](https://instagram.com/dangotesugar) [Dangote Sugar Refinery Plc](https://www.linkedin.com/company/dangote-sugar-refinery-plc) [+DangotesugarNG](https://plus.google.com/+DangotesugarNG)





Stock Market

NSE ASI  0.46% to close at 65,687.16pts on July 26th 2023

	Share Prices (₦)		Daily % Change (July 26 th)		YTD (% Change)
Nestle	1,175.00		0.00		6.82
Honeywell	3.45		0.00		47.44
Flour Mills	30.75		1.28		8.27
Cadbury	15.30		10.00		28.57
Dangote Sugar	30.00		1.32		86.92
Unilever	15.75		10.00		35.78
Ikeja Hotels	2.97		0.00		182.86



Oil Markets Today

COMMODITY	DAILY CHANGE July 26 th – July 27 th	YTD	CURRENT PRICE
BRENT	↑ 1.76%	↓ 1.78%	\$84.38pb
WTI	↑ 2.07%	↑ 0.19%	\$80.41pb
NATURAL GAS	↓ 0.95%	↓ 39.60%	\$2.70MMBtu



Oil Prices



- Brent up 1.76% to \$84.38pb
- WTI gained 0.91% to \$80.40pb
- Oil prices rose despite expectations of a rise in US crude stockpile by about 1.32 million barrels

Agricultural Commodities

Wheat



Plunged 2.40% to \$742.00/bushel, despite the ongoing conflict between Russia and Ukraine

Corn



Dropped 1.33% to \$557.75/bushel, on forecast of improved supply from the US due to adequate rainfall

Cocoa



Gained 0.58% to \$3,480.00/mt, as cocoa supply tightens in the global market

Sugar



Fell by 0.65% to \$24.53/pound, owing to an 8.9% rise in Brazil's cane production

Outlook – Oil Prices

- Output cuts by top oil producers and growing optimism about China's Q3'23 growth will further support oil prices in the coming weeks



Outlook – Agricultural Prices



GRAINS

- The global price of wheat is expected to remain elevated on deepening supply concerns in the global market.
- Corn prices are likely to keep declining in the near future as supply prospects from the US improve

SOFTS

- Cocoa prices will soar higher in the near term owing to lower crop yield from the world's top producers.
- Sugar price will uptick in the coming weeks as uncertainties about cane production intensify

